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No. 87-600

In The
Supreme Court of the United States
October Term, 1987

The Variable Annuity Life Insurance Company, et al.,

Petitioners

v.

Beverly J. Otto, individually and on behalf of all others similarly situated,

Respondent

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

MOTION FOR LEAVE TO FILE BRIEF FOR THE ASSOCIATION OF CALIFORNIA LIFE INSURANCE COMPANIES AS AMICUS CURIAE AND BRIEF AS AMICUS CURIAE IN SUPPORT OF PETITIONERS

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MOTION OF THE ASSOCIATION OF CALIFORNIA LIFE INSURANCE COMPANIES FOR LEAVE TO FILE BRIEF AS AMICUS CURIAE IN SUPPORT OF PETITIONERS

Pursuant to Rule 36 of the Rules of this Court, the Association of California Life Insurance Companies ("ACLIC") respectfully requests leave to file the accompanying brief as *amicus curiae* in support of peti-

tioners. Counsel for petitioners has consented to the filing of this *amicus curiae* brief. Counsel for respondent has declined consent.

ACLIC is a nonprofit trade association whose members are domestic California life insurance companies and foreign life insurance companies which do business in California. The membership list of ACLIC is set forth in Appendix A to the attached brief. One of the primary purposes of ACLIC is to represent the interests of its members and their policyholders in substantial public policy matters which affect them. ACLIC has participated as *amicus curiae* in other federal cases for this purpose.

ACLIC members include both large and small companies representing an asset base of over $23 billion in domestic California companies and over $714 billion in foreign companies doing business in California.[1] ACLIC has a duty to promote the solvency of its members and the soundness of the products they issue, including the soundness of the excess interest rates paid by the various companies. In the instant case, ACLIC has a substantial interest in insuring that the definition of an annuity in section 3(a)(8) of the Securities Act of 1933 (the "1933 Act"), 15 U.S.C. § 77c(a)(8), is not so restricted as to exclude the traditional fixed annuity with excess interest. Such a restriction would inject confusion, expense and multiple regulation into established principles and methods of insurance regulation, investment management, product design and annuity distribution.

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[1] Association of California Life Insurance Companies, *California Life Insurance Fact Book—1985* (1986), citing California Department of Insurance statistics.

The fixed annuity product involved in this action is commonly used for retirement funding, often by teachers or other public employees. The market for fixed annuity sales is highly competitive. Purchasing decisions often depend upon narrow rate comparisons. The decision below threatens the existing competitive market by adding dual and unnecessary regulation and attendant expense, by restricting rate competition and by making insurance agents ineligible to sell fixed annuities unless they are also registered representatives of registered "broker/dealer" principals.

The dollar volume of fixed annuity business issued by ACLIC members and affected by the *Otto* decision is immense. In 1986, a total of 10.5 million people nationwide were covered by annuity plans, of which 6.1 million were fixed annuities.[2] It is typically estimated that 10% of the annuity purchasers reside in California. In 1978, 22 insurance companies domiciled in California held a total of $3 billion in assets, of which annuities represented 13% or $389 million. Annuities had grown at an annual compound rate of 15.7% over the prior five years, as compared to 9.2% for assets overall.[3] According to ACLIC records for 1986, the total annuity consideration and annuity and other fund deposits of ACLIC members totaled over $2.5 billion. Fixed annuities make up virtually all of the annuity business in California. If the *Otto* decision is allowed to stand, federal securities requirements will be

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[2] American Council of Life Insurance, *Life Insurance Fact Book—1986* (1986).

[3] Association of California Life Insurance Companies, *Taxation of the Life Insurance Industry in California*, 13 (1981).

superimposed on these annuity contracts, in addition to the existing system of state regulation.

ACLIC is familiar with the questions involved in the case and the scope of their presentation. ACLIC believes that additional argument should be presented on the broader consequences of the decision below. While petitioner has fully analyzed and briefed the legal issues presented, additional briefing by ACLIC will assist the Court by demonstrating the adverse practical and economic consequences of the decision below.

It is therefore respectfully requested that the motion of ACLIC for leave to file the attached brief as *amicus curiae* be granted.

Respectfully submitted,

By: _____

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BRIEF OF THE ASSOCIATION OF CALIFORNIA LIFE INSURANCE COMPANIES AS AMICUS CURIAE IN SUPPORT OF PETITIONERS

INTEREST OF THE AMICUS CURIAE

The Association of California Insurance Companies ("ACLIC") is a trade association comprised of domestic California insurance companies and foreign insurance

companies doing business in California. Its interest in the question presented in this case is fully described in the motion for leave to file this brief as *amicus curiae* in support of petitioners.

BACKGROUND

The type of insurance contract involved in this action is a group fixed annuity with additional "excess interest". The question presented in this case is whether such a contract is an "annuity" under federal law and regulated by the states, or a "security" and regulated by the United States Securities and Exchange Commission ("SEC"). An annuity, of course, is an agreement to pay a determinable sum of money at a future date or for a period of time, usually actuarially determined or tied to the life span of the annuitant. From the standpoint of the issuer, an annuity entails an interest assumption as to what income can be generated with the purchase consideration or premiums, as well as a mortality assumption as to the longevity of the annuitant which will govern the total annuity benefit to be paid out over a period of years.

Annuities can be either single premium, where all consideration is paid at the outset, or periodic, where the consideration is paid over a period of months or years, often by payroll withholding. Annuities may be regarded as having an accumulation phase, in which the annuity consideration is accrued, and a distribution phase, in which the annuity proceeds are disbursed according to the form of annuity benefit chosen by the annuitant. The annuity value consists of the premium payments plus a return thereon. In a fixed annuity, the return is at a specified

rate of interest, while in a variable annuity, the return depends upon the gain (or loss) on a given investment fund.

In a variable annuity, the risk of losing both the purchase consideration and the income thereon is borne by the purchaser, based on the market performance of the underlying investment fund. Therefore, variable annuities have long been treated as securities for regulatory purposes.

Conversely, a fixed annuity "excess interest" contract routinely entails a guarantee of the full sum of the purchase consideration, the accrual and guarantee of a basic fixed rate of interest, and the accrual and vesting of additional "excess interest" at rates announced prospectively at specified intervals. It should be clearly recognized that the purchaser of a fixed annuity with discretionary "excess interest" is not at risk of losing either principal or accrued interest, basic or excess. The only risk to the purchaser is that the prospective excess interest rate will be changed or eliminated after the current period for which it has been announced.

A final significant characteristic of a fixed annuity is that the purchaser can withdraw the accumulated premium payments and accrued interest at any time, often without withdrawal or surrender charge. Thus, the issuer of a fixed annuity always bears the risks of maintaining unimpaired the accumulated premium payments and of producing the basic rate of interest and any announced rate of "excess interest", while the purchaser can always withdraw if the prospective rate of "excess interest" is not satisfactory.

The Court of Appeals in this case took a landmark stand of great importance which extends beyond the narrow facts presented. On the continuum of insurance products currently available in California, ACLIC believes the excess interest fixed annuity comes closest to the classic nonparticipating fixed annuity without excess interest. The Seventh Circuit opinion holds that any annuity not meeting the "safe harbor" of SEC Rule 151, 17 C.F.R. § 230.151, 51 Fed. Reg. 20,254 (June 4, 1986), does not qualify for exemption from securities regulation under Section 3(a)(8) of the Securities Act of 1933 (15 U.S.C. § 77c(a)(8)). Since variable annuities are already classed as securities, the decision below effectively means that most commonly available annuities will now be treated as securities. In effect, the Seventh Circuit has read out of Section 3(a)(8) of the 1933 Act any exemption of annuities or optional annuity contracts.

The annuity in question here, like most fixed annuities sold in California, does not come within the safe harbor test because the discretionary "excess interest" is subject to prospective change more frequently than once per year. Other insurance products are functionally similar to the Otto annuity with respect to interest declarations. For example, participating contracts, on which the issuer declares retrospective dividends, would not fit under a safe harbor test like Rule 151 because the dividend rate is not guaranteed or even declared until operating results are known. Also, life insurance contracts typically include benefit payment options which provide for the crediting of discretionary "excess interest".[4] Thus, the

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[4] Life Management Institute, Life Office Management Association, *Principles of Life and Health Insurance*, 147-152 (1984).

Seventh Circuit's decision may portend the extension of federal securities regulation to all life insurance contracts. The absence of clear guidance under the securities laws creates uncertainty as to the regulatory treatment of these products, which are highly similar to fixed annuities in the level of mortality and investment risk placed on the insurer.

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REASONS FOR GRANTING THE PETITION

1. THE ERRONEOUS DECISION BY THE SEVENTH CIRCUIT UPSETS WIDESPREAD RELIANCE ON PREVIOUS PRECEDENTS AND THREATENS TO ENGULF MANY OTHER INSURANCE PRODUCTS.

This case represents the first time a court has held that a fixed/excess interest annuity contract is a security. This holding erroneously reasons that failure to qualify under a safe harbor rule is tantamount to failure to qualify for the exemption at all, thus shrinking the exemption to the narrower confines of the safe harbor. This precipitous expansion of federal securities regulation is based solely on the frequency of declaration of discretionary benefits which may only enhance the value of the contract, but cannot decrease it. Not only does this case represent an important failure of statutory interpretation in the construction of Section 3(a)(8), but this holding also throws new doubt on the status of all comparable insurance contracts. In that regard, most policies issued by mutual insurance companies—traditionally the largest share of the market—and many by stock insurance com-

panies provide for participation in the financial success of the insurer. Such participation is realized in the declaration of dividends. Dividends are functionally identical to discretionary interest on fixed annuities in that both are vested for the period declared but uncertain for other, future periods. Since fixed annuities resemble other common insurance products, the decision below presents the specter of possible expansion of its holding to other insurance products. This threat is exacerbated by the uncertain reasoning of the Seventh Circuit. Only enunciation of an informed rule by this Court will prevent pervasive disruption of the regulatory, disclosure and distribution systems in place for fixed annuities in every state, including California.

In its initial opinion, Appendix A to the petition for writ of certiorari ("petition"), the Seventh Circuit accepted Section 3(a)(8) of the 1933 Act as a general exemptive rule. The court compared the *Otto* annuity to a variable annuity, a deferred or "optional" annuity plan and a group deposit administration contract as analyzed in prior cases, and concluded that the *Otto* annuity was not a security. This result was reached before addressing Rule 151 or any requirement of guaranteeing the duration of the rate of excess interest.[5] This conclusion did not rest on, but was only "supported by", Rule 151.[6] Noting the guaranteed rates of 4% and 3½% in the *Otto* contract, the

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[5] Appendix A, petition, 8a to 9a, citing *SEC v. Variable Annuity Life Ins. Co.*, 359 U.S. 65 (1959), *SEC v. United Benefit Life Ins. Co.*, 387 U.S. 202 (1967), and *Peoria Union Stock Yards Co. v. Penn Mutual Life Ins. Co.*, 698 F.2d 320 (7th Cir. 1983), respectively.

[6] Appendix A, petition, 10a.

court concluded that the rate of return was "not so low that we can say it placed the investment risk on the policyholder in a way substantial enough to make the fixed annuity a security."[7]

In the Seventh Circuit's second and third opinions, Appendices B and C to the petition, the court never identified any risk supposedly assumed by the policyholder which might justify the court's change of opinion that the contract was a security under Section 3(a)(8). As set forth above, the only possible risk of loss to the fixed annuity purchaser is that future prospective "excess interest" declarations will be at a lower level. It is specious to describe the fixed annuity purchaser as at risk when the risk is one which the purchaser can decline to accept. Since the annuity purchaser is free to withdraw his funds, including accumulated earnings, the purchaser's risk is hardly comparable to that of a typical securities investor, whose capital and accumulated income may be eroded by market conditions and totally unavailable for withdrawal. Moreover, this so-called risk of a fixed annuity purchaser is functionally identical to that faced by the owner of any participating insurance contract—that the future dividend declarations will be at a lower rate. Indeed, the owner of a medically underwritten insurance contract will often have less mobility because health and age changes may prevent replacing the coverage through another insurer offering greater dividend rates. Thus, not only has the Seventh Circuit conferred security status on an instrument which places all significant risks on the issuer, not the purchaser, but it

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[7] *Id.*

has also done so with murky logic which could include numerous other insurance products.

Finally, the Seventh Circuit said in its second opinion (and did not alter the statement in its final opinion) that the court could not "overlook entirely any requirement for a guarantee of excess interest."[8] Despite the fact that countless product design, investment and marketing decisions had been based on existing case precedents, the court admitted that "this is not an element relied on previously in court decisions distinguishing securities from insurance products."[9] The Seventh Circuit narrowed the boundaries of the exemption to make them co-extensive with the safe harbor by finding that VALIC's reservation of the right to prospectively change the quarterly "excess interest" rate automatically made the contract a security. The Seventh Circuit position thus denies insurers the prerogative to issue annuities exempt under past interpretations of Section 3(a)(8), yet not meeting the narrow safe harbor test.

2. THE SEVENTH CIRCUIT DECISION IMPOSES FEDERAL REGULATION FOR EXERCISING NECESSARY RATE FLEXIBILITY AND INTRUDES ON AN AREA ALREADY COMPETENTLY REGULATED BY THE STATES.

The only respect in which the *Otto* annuity fails the safe harbor test is in permitting the issuer to adjust excess rates more frequently than once per year. The ability to

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8 Appendix B, petition, 31a.

9 *Id.*

adjust rates frequently is critical to the solvency of insurers and to protecting the financial welfare of their policyholders. If rates are effectively required to be adjusted only infrequently in order to avoid costly and duplicative federal regulation, both insurers and their customers will suffer. If the insurer makes exceedingly cautious prospective rate decisions to provide a cushion against uncertain future market conditions, the purchaser's return will be reduced but without the purchaser receiving any additional benefit. If the insured throws caution to the winds and offers a high, long-term guaranteed rate, it courts insolvency to itself, loss and inconvenience to its policyholders and, through the mechanism of state insurance guarantee funds, similar losses to other insurers and their policyholders. The losses may occur through risky investment gambles made to fund the high rates, through ordinary market fluctuations, or by redemption calls on high-yield bonds purchased to sustain the necessary returns.

In order to prevent erosion of the mandates of the McCarran-Ferguson Act, 15 U.S.C. Sections 1011, *et seq.*, and Section 3(a)(8) of the 1933 Act, regulation should be left to the states where, as in this case, the public interest in securities regulation of a particular contract is not strong. There is no strong public policy interest in federal securities regulation of the exact interest crediting policies of insurers closely regulated under state law, as long as the policies retain the guarantees of principal, accrued basic and excess interest and future interest, to the extent declared by the insurer.

The McCarran-Ferguson Act established the basic principle that insurance regulation is best left to the

states. The Securities Act of 1933, 15 U.S.C. Section 77c (a)(8), continues this approach by broadly excluding from securities regulation "[a]ny insurance or endowment policy or annuity contract or optional annuity contract." The 1933 Act imposed needed regulatory controls on an economic sector which had operated without them to the peril of the national economy. As Congress recognized, there is, however, no such regulatory vacuum in the case of insurance and annuities.

Each state has its own insurance regulatory framework, with interstate coordination achieved through uniform laws drafted by the National Association of Insurance Commissioners ("NAIC"). This coordinated regulatory framework governs the accumulation of insurance company reserves, identifies the type of investment insurers may make, sets additional reserves for contracts shifting risk to policyholders, and imposes other limitations on interest crediting policies. For example, in California, an insurer may not issue annuity contracts or other insurance products providing "investment return assurance", until it has "satisfied the commissioner that its condition or method of operation in connection with the issuance of certain policies shall not be such as to render its operation hazardous to the public, or its policyholders . . .".[10] Such insurer must also meet capital and surplus requirements which are not demanded of other insurers.

State reserve calculation rules also influence interest crediting policies. California has adopted the "floating rate" method of reserve calculation, which is recommended

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10 California Insurance Code, § 10507.

in the NAIC Model Act (1987).[11] This method sets reserve requirements according to a formula based on the duration of the annuity contract and permits annuity returns to float above a minimum guaranteed rate according to a specified index, instead of using basic and excess interest rates. The imposition of federal securities regulation as the sole alternative to long-term fixed rate guarantees will effectively stifle state experimentation with innovative methods of rate calculation, to the potential detriment of the annuity-purchasing public.

It should be recognized that insurance companies are especially vulnerable to huge losses based on small fluctuations in regulatory or market conditions. Their sheer size creates inertia and their portfolios are ordinarily long-term, at least in part due to capital and reserve requirements imposed by state law. Moreover, insurers typically operate on a small margin or yield. Surpluses tend to be small as a fraction of liabilities or total assets, Domestic California companies have a combined capital and/or surplus of $2.4 billion on total liabilities and reserves of $20.8 billion and total assets of $23 billion.[12] Every major economic or regulatory development threatens insurance companies with catastrophic losses if they are locked into aggressive financial positions. Historically, the industry has suffered severe losses and insolvencies when investment yields fell below guaranteed contract rates. For example, in 1923, the net interest rate earned on life insurance investments was 5.18 percent and guaranteed rates

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[11] California Insurance Code § 10489.4 (as amended 1981).

[12] Association of California Life Insurance Companies, *California Life Insurance Fact Book—1985* (1986), citing California Department of Insurance 1984 statistics.

of 3.5 or even 4 percent were common.[13] By 1947, the net interest rate earned declined to a low of 2.88 percent, below the average guaranteed rate on all policies outstanding for some insurers, with obvious consequences.[14]

Generally, annuities like the *Otto* policy contain basic interest rate guarantees that are effective for terms as long as thirty or fifty years, at the policyholder's option. Conservative assumptions must be used in setting basic rate guarantees to prevent losses and insolvencies in the event of widespread market rate declines. Conservative investment policies may follow to assure achievement of the rate assumptions. In California and most other states, insurers are required to invest primarily in long and medium term bonds and in real estate.[15] Comparability with other retirement funding methods and prevention of disintermediation of funds out of insurance vehicles can best be achieved by discretionary "excess interest" declarations.

The Rule 151 one year guarantee period is simply too long for some policies. A sharp rise in interest rates as occurred in the last decade, with prime rates rising from 8% to 15%, could not have been predicted or compensated for if rates were guaranteed for one year. Such sharp rises in market rates, without the ability to adjust rates by annuity issuers, cause disintermediation. Many policyowners surrender policies to take advantage of other vehicles unless the annuity issuer can keep pace. A sharp

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13 Mehr, *Life Insurance Theory and Practice, 664* (1977).

14 *Id.*

15 See California Insurance Code §§ 1150 *et seq.*

drop in rates spurs issuers to call the bonds in which insurers invest, forcing insurers to reinvest in lower-paying vehicles. Unless crediting rates can be adjusted downward, large losses will occur. Insurers must have the ability to adjust interest crediting rates in periods of rapidly changing market interest rates, both to protect themselves and to fairly compensate their annuity buyers.

In both its first and second opinions, the Seventh Circuit relied upon the principles set forth by this Court in *SEC v. Variable Annuity Life Ins. Co.*, that insurance "involves some investment risk-taking on the part of the company" and "a guarantee that at least some fraction of the benefits will be payable in fixed amounts."[16] The fixed annuity with discretionary interest meets the test of *SEC v. VALIC.* The insurer not only guarantees benefits based on the stated basic rate and the underlying mortality assumption, but also guarantees the excess interest credited each quarter. Unlike the issuer of a variable annuity, the issuer of a fixed/excess interest annuity bears essentially all of the investment risk.

A similar form of fixed/excess interest annuity was considered in *Olpin v. Ideal National Insurance Company.*[17] The Tenth Circuit found that a fixed annuity with a discretionary dividend payment, which the policyowner did not control and which was not guaranteed at all, was not a security. This result was based on the finding that the insurers "bore the entire risk that they might not realize

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16 359 U.S. 65 at 71 (1959).

17 419 F.2d 1250 (10th Cir. 1969), *cert. denied,* 397 U.S. 1074 (1970).

from the investment'' the promised bonus sums.[18] The fixed/excess interest annuity is not, therefore, a security.

3. IN THIS CASE, THE BENEFITS OF FEDERAL REGULATION DO NOT OUTWEIGH THE COSTS OF IMMEDIATE, PERVASIVE DISRUPTION OF EXISTING REGULATORY AND DISTRIBUTION SYSTEMS DEVELOPED BY THE STATES.

In this case, the benefits of federal regulation do not outweigh the costs of disrupting or duplicating regulatory and distribution systems already in place. Currently, group fixed pension plan annuity contracts are sold in the same manner as group life insurance contracts, typically by life insurance agents who are not NASD registered representatives. They are sold in connection with retirement plans, often employee benefit plans which are themselves regulated under federal law.[19] Under the Seventh Circuit's opinion, this sales force would become ineligible to market a basic retirement funding instrument. According to California Department of Insurance statistics, there are more than 85,000 life insurance salespeople in California alone, of whom only a very small fraction are NASD registered. None of them could sell an *Otto* annuity until they became registered. Approximately 60 to 90 days is typically required to educate, test and qualify a registered representative, assuming ''broker/dealer'' administrative systems are available and functioning.

In addition, fixed annuity sales people typically operate under the purview of an independent brokerage, general

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[18] 419 F.2d 1261.

[19] See Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.* and Internal Revenue Code 26 U.S.C. § 403 (b).

agency or company-owned district office. These entities are typically not registered principal "broker/dealers" and would be ineligible to sponsor the sale of fixed/excess interest annuities held to be securities until registration could be achieved. Further delay in restoring a legally qualified sales force for this class of annuity would inevitably result.

The issuers of the annuities would likewise require reorganization under the Seventh Circuit's holding. Either the entire general account of each issuer would become subject to SEC accounting, reporting and disclosure requirements or separate investment company subsidiaries would be formed. Either approach would be time-consuming and expensive.

Finally, expense and further delay would be entailed in the preparation of registration statements and in allowing the same to become effective.

Each of these securities regulation functions is substantially duplicated in existing state insurance regulation. In California, agents are required to be trained, tested and licensed by the Department of Insurance.[20] Brokerages, general agencies, and district offices are required to be operated by state-licensed personnel.[21] Insurers may not operate in California until they are admitted to do so, again by the Department of Insurance.[22] Insurers are required to achieve minimum capitalization and reserves and are suspended from writing insurance

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20 California Insurance Code §§ 1631, 1645.

21 California Insurance Code § 1627.

22 California Insurance Code § 700.

if such minimums are not maintained.[23] Insurer investments are regulated and restricted, with emphasis on real property, governmental obligations and corporate bonds.[24] Insurer operations are audited by the Department of Insurance and detailed annual financial reports are required to be filed for public inspection.[25] Finally, the California Department of Insurance liquidates insolvent insurance companies, calling upon the insurer-financed guarantee fund to satisfy policy owner claims and upon other insurers to assume continuing contractual obligations.[26]

The drafters of the 1933 Act recognized that the business of insurance should not be considered static; this Court enunciated in *SEC v. Variable Life Ins. Co., supra,* that the courts should not "freeze the concepts of 'insurance' and 'annuity' into the mold they fitted when the Federal [Securities] Acts were passed."[27] Allowing flexibility in annuity contract design without impairing the basic fixed annuity guarantees of principal and accrued interest does not call for classification as a security.

In summary, the Court is urged to recall the caution of *SEC v. Variable Annuity Life Ins. Co., supra,* at 68, to act "with a reluctance to disturb the state regulatory schemes that are in actual effect, either by displacing them or by superimposing federal requirements on transactions that are tailored to meet state requirements". Indeed,

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23 California Insurance Code §§ 1153, 1153.5.

24 California Insurance Code §§ 1150 *et seq.*

25 California Insurance Code §§ 734, 900.

26 California Insurance Code §§ 1011, 1016, 1063 *et seq.*

27 359 U.S. at 71.

allowing a wider range of annuity types allows healthy competition among insurers, gives annuity purchasers a diverse selection and permits the states simultaneously to examine different and potentially desirable annuity designs. Requiring all policies to meet the narrow confines of Rule 151 would impair this process. Moreover, the Court is urged to delineate annuity products legitimately serving the purposes of stability and guarantee inherent in insurance separately from variable products which serve the purposes of investment; and, for insurance and annuities, to continue the combination of diversity and protection which characterizes state insurance regulation.

———o———

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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December, 1987

APPENDIX A

MEMBERS OF THE ASSOCIATION OF CALIFORNIA LIFE INSURANCE COMPANIES

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Alexander Hamilton Life
Allstate Life Insurance Company
Anchor National Life Insurance Company
Beneficial Standard Life Insurance Company
BEST Life Assurance Company of California
Blue Cross of California
Cal-Farm Life Insurance Company
California-Western States Life Insurance Company
Certified Life Insurance Company
CIGNA Companies
CNA Insurance Companies
Commercial Bankers Life Insurance Company
Crown Life Insurance Company
The Equitable Life Assurance Society
Executive Life Insurance Company
First Capital Life Insurance Company
Golden State Mutual Life Insurance
Great American Life Insurance Company
Lincoln National Corporation
Metropolitan Life Insurance Company
New England Mutual Life Insurance Company
New York Life Insurance Company
Pacific Mutual (Pacific Financial Companies)
Phoenix Mutual Life Insurance Company
Pierce National Life Insurance Company
Provident Life and Accident Insurance Company
The Prudential Insurance Company of America

Sovereign Life Insurance Company of California
Standard Insurance Company
Transamerica Occidental Life Insurance Company
Union Labor Life Insurance Company
United Insurance Company of America
UNUM Life Insurance Company
West Coast Life Insurance Company